



## **Attachment to AUASB Board Meeting Summary Paper**

---

|                        |  |
|------------------------|--|
| <b>AGENDA ITEM NO.</b> | <b>5(a).1</b>  |
| <b>Meeting Date:</b>   | 10 September 2012  |
| <b>Subject:</b>        | <i>ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information</i> |
| <b>Date Prepared:</b>  | 27 August 2012   |

### **Issue 1: Guidance to distinguish limited assurance from reasonable assurance**

#### **Background**

The AUASB requested further clarification be made to the guidance that distinguishes limited and reasonable assurance procedures required when providing assurance on prospective financial information (including pro forma forecast).

In response, the AUASB Technical Group has:

- removed the limited and reasonable assurance tables within the prospective financial information section that were proposed in the 23 July meeting and re-instated the previous “paragraph style” format; and
- re-worded requirements, where applicable, to clarify the additional procedures that are to be performed if reasonable assurance is required on prospective financial information being prepared on the basis of the assumptions and/or presented fairly in accordance with stated basis of preparation.

Refer Prospective financial information section of the proposed Standard (paragraphs 108-121 and related guidance in paragraphs A87-A97), and, in particular, requirement paragraphs 112, 116, 121 and 130 and related guidance paragraphs A87-A88.

#### **AUASB Technical Group recommendation**

The AUASB Technical Group recommends that this amended format and content be approved.

---

*This document contains preliminary views and/or AUASB Technical Group recommendations to be considered at a meeting of the AUASB, and does not necessarily reflect the final decisions of the AUASB. No responsibility is taken for the results of actions or omissions to act on the basis of reliance on any information contained in this document (including any attachments), or for any errors or omissions in it.*

## Information only

The following Key changes have also been made:

1. Internal quality assurance process changes.
2. “Generic section” changes resulting from format change to remove the limited and reasonable assurance tables and re-instatement of the previous “paragraph style” format (see issue 1 above);  
[Refer in particular to paragraph 42 (replaced 45L/45R); paragraph 50 (replaced 53L/53R and 55L/55R); paragraphs 51-53 (replaced paragraphs 56L/56R 57L/57R); paragraph 57 (replaced 58L/58R); and paragraph 83 (replaced 91L/91R)]
3. Inclusion of requirements (and related guidance) dealing with whether any underlying financial information has been previously audited or reviewed (re consistency with ASAE 3420):
  - pro forma historical [Refer paragraph 103 and related guidance paragraphs A80-A83];
  - prospective financial information [Refer paragraph 112 and related guidance paragraphs A92 and A93]; and
  - pro forma forecast has been previously audited or reviewed [Refer paragraph 126 and related guidance paragraphs A99-102].
4. At the 23 July meeting, the AUASB requested:
  - the following editorials:
    - ◆ scope paragraph 5 (re exclusion prospective financial information involving a projection or material hypothetical assumptions);
    - ◆ scope paragraph 8 (re types of assurance);
    - ◆ guidance paragraphs A2-A3 (re non-assurance services); and
    - ◆ guidance paragraphs A87-A88 (re type of assurance that could be provided in respect of the different elements of the prospective financial information).
  - paragraph 14(f) – included a new definition re “different elements of prospective financial information”.
  - inclusion of a new illustrative assurance report (illustration 4) – prospective financial information involving a mixture of limited assurance and reasonable assurance on different elements of the prospective financial information.